

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1833 - SB 1806

January 30, 2016

SUMMARY OF BILL: Creates a new registration plate of an appropriate design representative of the historic Gadsden flag. Requires that an additional \$10 fee is paid at the time of initial issuance of such registration plates, and that the proceeds of such fee are deposited in the General Fund.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$250,000/FY16-17 and FY17-18

Increase State Expenditures – \$82,500/FY16-17 and FY17-18

Assumptions:

- Manufacturing of Gadsden flag registration plates will occur in intervals based on anticipated demand initially and on actual demand after the introductory period.
- Based on a similar plate introduction in the state of Virginia, first-year demand (FY16-17) in Tennessee is estimated to be approximately 25,000 plates; subsequent year demand (FY17-18) is estimated to be an additional 25,000 plates; the number of plates issued at any given time after the first two years is estimated to average 50,000 per year.
- Beginning in FY18-19, there will not be a significant number of additional plates purchased. As a result, any fiscal impact occurring in FY18-19 and subsequent years is estimated to be not significant.
- The \$10 fee will be paid at the time of initial issuance of the plates.
- The increase in state revenue to the General Fund is estimated to be \$250,000 in FY16-17 and \$250,000 in FY17-18 (25,000 plates each year x \$10 fee per plate).
- The production costs are estimated to be \$3.30 per license plate.
- The increase in state expenditures from the General Fund is estimated to be \$82,500 in FY16-17 and \$82,500 in FY17-18 (25,000 plates produced each year x \$3.30 cost per plate).
- Public Chapter 383 of the Public Acts of 2015, Section 34, created a new specialty earmarked license plate, representative of the Gadsden flag, for Friends of Sycamore Shoals Historic Area, Inc. It is assumed that the quantity demanded for such license plate will not be significantly impacted by the proposed legislation. As a result, any

HB 1833 - SB 1806

impact on revenue to the Tennessee Arts Commission, Highway Fund, and the Sycamore Shoals State Park is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/bos